



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Approve contract for Assessment District administrative services

**MEETING DATE:** April 17, 1996

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** Council approve the \$ 5,000 contract for Assessment District administrative services to NBS/Lowry, Inc.

**BACKGROUND INFORMATION:** The City of Lodi has formed Assessment Districts pursuant to the Municipal Improvement Act of 1913 and has issued bonds pursuant to the Improvement Bond Act of 1915, and has levied special assessments on property to pay for the improvements financed. The City of Lodi has the responsibility to levy and collect such assessments each year to meet debt service requirements. There are numerous other duties and covenants involved with such districts and bonds including monitoring and pursuing delinquencies, initiating judicial foreclosure actions, providing payoff calculations, tracking parcel changes and apportionments, adjusting for agency costs, crediting the parcels for excess funds and interest earnings, calling bonds, and providing information on the bonds and district status to interested parties. Most of these requirements are set forth in the *California Streets and Highways Code*, Division 10. Others are as dictated in the Bond Transcripts. This is an area which requires special expertise, and the agency staff is unable to provide the services on a cost-effective basis.

NBS/Lowry, Inc. is a firm with a fifty year history of providing quality and cost-effective engineering and assessment services to public agencies. As such, the Public Finance Group at NBS/Lowry, Inc. has the breadth and depth of experience with Assessment Districts, Mello-Roos Community Facilities Districts, Landscape and Lighting Districts, and other such Special Financing Districts which cannot be matched by our agency staff. Furthermore, the complementary engineering services and staff available at NBS/Lowry, Inc. will only enhance the administration of our assessment districts.

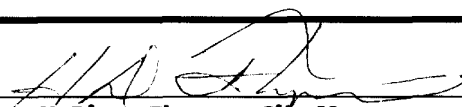
***Financial Impact:***

Due to the code and current taxation policy, these Assessment Districts must cover their costs and not be paid for by General Fund moneys. Therefore, all costs for administering these districts are captured in the annual levy and there is no direct cost to the City of Lodi for NBS/Lowry, Inc.'s services. This articulates with the costs for the trustee/paying agent, incremental outside auditor fees, county tax collector charges, arbitrage rebate services, and similar expenses which shall be incorporated into the annual levy and spread to the parcels within the district. The total levy to the parcel owner may be reduced by active use of the available funds, such as interest earnings and delinquent penalties.

**FUNDING:** No direct cost to City; captured in the annual levy.

  
Vicky McAthie  
Finance Director

**APPROVED:** \_\_\_\_\_

  
H. Dixon Flynn - City Manager

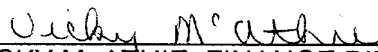
**NOTICE OF RECORDING ASSESSMENT AND  
TIME FOR RECEIPT OF CASH PAYMENTS**

**LODI CENTRAL CITY REVITALIZATION ASSESSMENT DISTRICT NO. 95-1  
CITY OF LODI, CALIFORNIA**

NOTICE IS HEREBY GIVEN that all owners of real property liable to be assessed to pay the costs and expenses of the acquisition and/or construction of improvements described in the Engineer's Report and Resolution No. 95-123, a Resolution of Intention to Acquire and/or Construct Improvements and to Refund Prior Bonds Issued, adopted by the City Council of the City of Lodi on September 20, 1995, are hereby notified that the assessment and diagram were recorded in the office of the Director of Public Works of the City of Lodi on May 20, 1996.

The assessments are due and payable immediately at the office of the Finance Director, City Hall Annex, 212 West Pine Street (mailing address P. O. Box 3006), Lodi, California 95241, and must be received within the period expiring June 19, 1996.

In the event of the failure to pay before the expiration of that period, serial or term bonds to represent the unpaid assessments and bearing interest at the rate of not to exceed twelve percent (12%) per annum will be issued pursuant to the Improvement Bond Act of 1915, the last installment of such bonds to mature not to exceed nineteen (19) years from the second day of September next succeeding twelve (12) months from their date, and the applicable provisions of Part 11.1 of the Improvement Bond Act of 1915, providing an alternative procedure for the advance payment of assessments and the calling of bonds, shall apply.

  
\_\_\_\_\_  
VICKY McATHIE, FINANCE DIRECTOR  
CITY OF LODI

**RESOLUTION NO: 96- 34**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI AUTHORIZING THE APPROVAL OF AN AGREEMENT FOR 1915 ACT ASSESSMENT DISTRICT ADMINISTRATION AND OTHER RELATED SERVICES.**

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**WHEREAS**, the City Council of the City of Lodi formed district(s) and issued bonds pursuant to the terms and provisions of the Improvement Act of 1913 and Improvement Bond Act of 1915 (respectively Division 12 and 10 of the *Streets and Highways Code of the State of California*) and has levied special assessments on lands within the Assessment District(s), which are described in the Resolution of Intention adopted for said improvements and,

**WHEREAS**, there has been presented, considered and ready for approval an agreement setting forth formal terms and conditions relating to such administration services and other related services, at this time the City Council of the City of Lodi is desirous to set forth all formal terms and conditions relating to the administration of the Assessment District(s) and other related services to ensure that all governing code provisions, covenants, and conditions regarding the District(s) are being observed and performed; and

**NOW, THEREFORE**, the City Council of the City of Lodi does hereby resolve as follows:

- |           |   |
|-----------|---|
| Section 1 | That the above recitals are true and correct.   |
| Section 2 | That the letter agreement is hereby approved substantially in the form herein, is to be dated the date hereof, and is subject to modifications as necessary and as approved by the City of Lodi Finance Director. |
| Section 3 | That the agreement relating to such actions submitted herewith passed and adopted at the regular meeting of the City Council of the City of Lodi held on the 17th day of April, 1996 .                            |

Dated: April 17, 1996

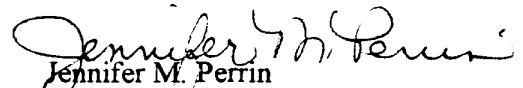
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I hereby certify that Resolution No. 96-34 was passed and adopted by the Lodi City Council in a regular meeting held April 17, 1996 by the following vote:

Ayes: Council Members - Mann, Pennino, Sieglock and Warner (Mayor)

Noes: Council Members - Davenport

Absent: Council Members - None

  
Jennifer M. Perrin  
City Clerk

**MEMORANDUM, City of Lodi, Public Works Department**

**To:** City Council  
**From:** City Engineer  
**Date:** April 16, 1996  
**Subject:** Additional Information on Central City Revitalization Assessment District

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Attached is the following additional information on the District requested at the Shirtsleeve meeting this morning. If I missed anything, please give me a call.

1. Copies of overheads showing protest figures without City property.
2. Copy of the detailed cost estimate from the Engineer's Report.

Note that the total cost of the project including the very preliminary estimate of improvements to City infrastructure is as follows:

Amount to be assessed (last figure in estimate) :	\$ 3,126,031
City participation in assessment district (next to last figure in estimate) :	3,139,487
City infrastructure (Paving, signals and drainage):	1,881,000
Total:	\$ 8,146,518

3. Recalculated protest figures if the area east of the railroad tracks were eliminated from the District (both with and without City property).

  
Richard C. Prima, Jr.  
City Engineer

RCP/rcp

cc: City Manager  
City Clerk ✓

# Central City Revitalization Program

## Assessment District

- As established in the Engineer's Report, the District does **NOT** have a majority protest and can go forward
- Protest figures for the total district *without City property*:

Valid Protests	43.5 %
Invalid Protests	6.3 %

# Central City Revitalization Program

## Assessment District

- Each zone separately *without City property*:

### Downtown Zone

Total Zone  
without City  
Property

Valid Protests

50.14 %

Invalid Protests

4.8 %

### Cherokee Lane Zone

Valid Protests

N/A

Invalid Protests

N/A

# EXHIBIT A

## ESTIMATE OF THE COST AND EXPENSE OF IMPROVEMENT

### LODI CENTRAL CITY REVITALIZATION PROJECT ASSESSMENT DISTRICT NO. 95-1 LODI, CALIFORNIA

#### ESTIMATED COST OF SCHOOL STREET IMPROVEMENTS

64 each	Pedestrian Scale Street Lights	@	\$ 5,000	\$ 320,000
101 each	Parking Zone Street Trees	@	2,400	242,400
lump sum	Miscellaneous Demolition	@	22,500	22,500
34 each	Benches	@	1,500	51,000
34 each	Trash Receptacles	@	1,200	40,800
lump sum	Post Office Frontage	@	100,000	100,000
5 each	Custom Kiosk	@	5,000	25,000
5 each	Kiosk Custom Art/Posters	@	35,000	175,000
68 each	Sidewalk Planter Pots	@	750	51,000
49,500 sf	Sidewalk Replacement	@	8	396,000
lump sum	Entrance Gateway	@	550,000	550,000
20 each	Corner Bow-outs	@	12,500	250,000

Estimated Total Cost of School Street Improvements \$ 2,223,700

#### ESTIMATED COST OF PINE STREET IMPROVEMENTS

26 each	Parking Zone Pedestrian/Street Lights	@	\$ 6,000	\$ 156,000
4 each	Trash Receptacles	@	1,200	4,800
4 each	Corner Bow-outs	@	12,500	50,000

Estimated Total Cost of Pine Street Improvements \$ 210,800

#### ESTIMATED COST OF OAK STREET IMPROVEMENTS

18 each	Pedestrian Scale Street Trees	@	\$ 5,000	\$ 90,000
34 each	Parking Zone Street Lights	@	2,400	81,600
lump sum	Miscellaneous Demolition	@	9,000	9,000
2 each	Trash Receptacles	@	1,200	2,400
2 each	Corner Bow-outs	@	12,500	25,000

Estimated Total Cost of Oak Street Improvements \$ 208,000

#### ESTIMATED COST OF CHEROKEE LANE IMPROVEMENTS

lump sum	Median Demolition	@	\$ 114,550	\$ 114,550
124 each	Median Trees	@	800	99,200
lump sum	Median Treatment	@	123,750	123,750
lump sum	Existing Median Upgrades	@	20,000	20,000
180 each	Holophane Street Lights	@	6,000	1,080,000

Estimated Total Cost of Cherokee Lane Improvements \$ 1,437,500

ESTIMATED DESIGN/CONSTRUCTION CONTINGENCIES \$ 720,000

#### ESTIMATED CONSTRUCTION INCIDENTAL EXPENSES

Design Engineering	\$ 689,862
Construction Staking, Inspection and Testing	189,306

Estimated Total Cost of Construction Incidental Expenses \$ 879,168

ESTIMATED ASSESSMENT INCIDENTAL EXPENSES

Assessment District Engineer	\$ 75,350
Bond Counsel	47,000
Disclosure Counsel	25,000
Bond Printing, Advertising, Register	21,000
Bond Reserve (7%)	190,000
Bond Registration	10,000
Bond Discount (3%)	81,500

Estimated Total Cost of Assessment Incidental Expenses \$ 449,850

ESTIMATED UNPAID ASSESSMENT FROM AD 84-1

Outstanding Principal Balance	\$ 125,000
Estimated Interest and Prepayment Premium	12,500

Estimated Total Unpaid Assessment from AD 84-1 \$ 137,500

ESTIMATED CONSTRUCTION FUND INTEREST EARNINGS \$ (1,000)

ESTIMATED CASH CONTRIBUTED BY CITY OF LODI TO PROJECT \$ (3,139,487)

ESTIMATED TOTAL COST AND EXPENSE PROPOSED TO BE  
ASSESSED TO PROPERTY OWNERS \$ 3,126,031

NOTES:

1. The following items in the Estimate of Costs are estimates only, and may be somewhat different from the actual cost: Cost of School Street Improvements, Cost of Pine Street Improvements, Cost of Oak Street Improvements, Cost of Cherokee Lane Improvements, Design/Construction Contingencies, Assessment Incidental Expenses, Construction Fund Interest Earnings, Capitalized Interest and Cash Contributed by City of Lodi to Project.
2. The Estimated Cost of School Street Improvements, the Estimated Cost of Pine Street Improvements, the Estimated Cost of Oak Street Improvements, and the Estimated Cost of Cherokee Lane Improvements were prepared by Freedman, Tung & Bottomley and are discussed in further detail in the Memorandum dated April 5, 1995 from Michael Freedman to Ms. Janet Keeter, Economic Development Coordinator, City of Lodi, entitled "Central City Revitalization - Alternative Catalyst Project Recommendation".
3. The Estimated Cost of School Street Improvements, the Estimated Cost of Pine Street Improvements, the Estimated Cost of Oak Street Improvements, and the Estimated Cost of Cherokee Lane Improvements represent the estimated cost of construction of each component of the Alternative Catalyst Project for the Lodi Central City Revitalization Project.
4. The Estimated Design/Construction Contingencies represents an allowance for any design and/or construction revisions to the scope of work that may increase the actual costs of the project. The Estimated Design/Construction Contingencies represent approximately 17% of the total estimated cost of the proposed improvements.
5. The Estimated Design Engineering represents the architectural/engineering design fees for the preparation of plans, specifications and estimates for the Lodi Central City Revitalization Project, Alternative Catalyst Project.
6. The Construction Staking, Inspection and Testing item represents the estimated cost of engineering, surveying, inspection and testing fees for the construction phase of the project.



7. The Assessment District Engineer item represents the fees for the assessment engineering work relative to the formation of the Assessment District, the preparation of the Engineer's Report and the spreading of the assessments.
8. The Bond Counsel item represents the fees for the legal services provided by Bond Counsel relative to the formation of the Assessment District, the levying of the assessments and the issuing of the bonds.
9. The Disclosure Counsel item represents the fees for the legal services for disclosure advice relative to the bond sale for the Assessment District.
10. The Bond Printing, Advertising, Register item represents the costs associated with the preparation of the Auditor's Register, the bond printing and advertising, and printing of the preliminary and final official statements.
11. The Bond Reserve item is based upon seven percent (7%) of the total amount of the bond issue.
12. The Bond Registration item represents the costs associated with the registering of the bonds.
13. The Bond Discount item is based upon three percent (3%) of the total amount of the bond issue.
14. The Estimated Outstanding Principal Balance is the estimated principal balance still outstanding on the Assessment District 84-1 bonds.
15. The Estimated Interest and Prepayment Premium is the estimated interest that will be due and the estimated prepayment premium that will be due at the time that the outstanding AD 84-1 bonds are paid off.
16. The Estimated Construction Fund Interest Earnings represents the estimated interest earned by funds in the construction account from the time that funds are received from the sale of bonds until the funds are disbursed. from the construction account.
17. The Estimated Cash Contributed by the City of Lodi to Project represents the estimated contribution to be made by the City of Lodi towards the Alternative Catalyst Project for the Lodi Central City Revitalization Project.
18. The Estimated Total Costs Proposed to be Assessed to Property Owners represents the estimated total project costs less the estimated construction fund interest earnings and less the estimated City cash contribution towards the project.

## Central City Revitalization Program

### Assessment District

- Protest figures for the total district *excluding the property and protests east of the SPRR railroad tracks:*

Valid Protests	37.0 %
Invalid Protests	5.7 %
Total:	42.7 %

- Protest figures for the Downtown zone only *excluding the property and protests east of the SPRR railroad tracks:*

Valid Protests	32.1 %
Invalid Protests	2.5 %
Total:	34.6 %

## Central City Revitalization Program

### Assessment District

- Protest figures for the total district *excluding the property and protests east of the SPRR railroad tracks and without City property:*

Valid Protests	38.9 %
Invalid Protests	6.0 %
Total:	44.9 %

- Protest figures for the Downtown zone only *excluding the property and protests east of the SPRR railroad tracks and without City property:*

Valid Protests	37.6 %
Invalid Protests	3.6 %
Total:	41.2 %